

## **NEW PRODUCT ADVISORY No. 02-001**

### **A FULL SERVICE PLAN'S VALUE NETWORK PLANS**

**ACTION:** Order of Approval Issued August 20, 2002

Material modification proposing a new commercial product featuring lower premiums, "Value Network Plans."

Filing Nos. 20021576; 20021639; 20021786; 20022003; 20022030; 20022081; 20022146; 20022191; 20022227; and 20022296

Filed July 9, 2002; July 9, 2002; July 30, 2002; August 13, 2002; August 14, 2002; August 19, 2002; August 27, 2002; August 30, 2002; September 5, 2002; and September 11, 2002

### **SUMMARY**

The product will be offered in selected areas of a particular Plan's currently approved service area. Enrollees obtain services through the Value Network Plans network by selecting to be assigned to a provider from a Value Network Plans medical group. These groups are a non-exclusive subset of the particular Plan's current participating medical groups; however, the particular Plan's full hospital network, ancillary, and tertiary providers will be available to enrollees. Members will have access to specialty care in the same manner as enrollees in other Plan commercial products. Choice of a medical group may limit access to certain hospitals because the physicians in that medical group may not admit to that hospital. However, if the enrollee needs services that cannot be appropriately provided at the hospital to which the enrollee's Value Network Plans provider admits, the enrollee will be referred to the most appropriate hospital, including a nonparticipating hospital as necessary. The particular Plan's standards of accessibility remain unchanged.

### **BASIS OF ACTION**

The Department required the particular Plan to address a variety of issues, including, but not limited to, access to and range of services, continuity of care, restrictions related to the network, disclosure in subscriber documents, administrative and financial capacity of the Value Network Plan medical groups, monitoring of issues, and assumptions underlying the premiums. The Department determined that the documents submitted in connection with the particular Plan's proposal comply with the Knox-Keene Health Care Service Plan Act of 1975 (Health & Saf. Code § 1340 *et seq.*) and the regulations adopted thereunder (Cal. Code Regs., title 28, § 1300.43 *et seq.*).